

PEAK OIL FLOOR STATEMENT
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Mr. Speaker, I rise here today to stress how important it is for the United States to take a bold new approach concerning our energy supplies. Our economy and way of life depends on cheap oil. In many ways cheap oil is responsible for our prosperity. Since oil provides about 40% of the world's energy, a peak in global oil production will be a great turning point in human history. Oil and natural gas literally transport, heat and feed our country. Therefore, we must summon the political will to act immediately, diversify our energy supplies and mitigate the negative changes that will undoubtedly accompany the world peak in oil and natural gas production.

Peak Oil is a fact, not a "theory." Oil production has now peaked in 33 of the world's largest 48 oil-producing nations. A recent Energy and Air Quality subcommittee hearing showed that a growing number of energy experts agree that a peak in world oil production is either imminent or likely to occur by 2015.

The United States demand for oil continues to increase by about 2% per annum. Also global demand has increased faster than production, and the once substantial cushion between world oil production and demand has decreased. This phenomenon has increased the price of oil. Consequently, huge amounts of American money, up to \$25 million per hour, go abroad to pay for foreign oil. Middle Eastern countries flush in oil dollars help fuel the terrorism we are fighting.

Some say market forces will solve the peak oil problem. They argue that as we approach or pass the peak of production, oil prices will increase and alternatives will become more competitive. However, no alternative currently available is anywhere near

ready to replace oil in the volumes we use it today. What's more, even today's oil prices do not accurately reflect the full social costs of oil consumption. Currently, federal and state taxes add up to about 40 cents per gallon of gasoline. A World Resources Institute analysis found that fuel-related costs not covered by drivers are at least twice that much. Oil prices do not include the full costs attributed to road maintenance, the financial risks of global warming or the threats to national security from importing oil. Without these externalities in the market, significant private investment in alternative technologies will not occur. Until oil and its alternatives compete in a fair market, new technologies will not thrive.

Over the past 100 years, fueled by cheap oil, the United States has led a revolution in the way the world operates. Replacing this resource in a relatively short time is an incredible challenge and imperative to the survival of our way of life. The United States has faced such challenges in the past. In response to great challenges and inevitable threats, we pooled our resources and ingenuity to build an atomic bomb in just a few years and put a man on the moon in a decade. We can, and must, do this again. We must commit to a bold new initiative.

To eliminate our dependence on foreign oil and develop a new economy based on renewable, non-polluting energy, we need a massive, long-term investment in research for both basic and applied science. We must produce effective policies that create a new generation of scientists devoted to changing the way we produce energy.

Additionally, we must commit to decreasing our demand for oil. We can start by increasing efficiency. Transportation in the United States accounts for 16.5% of the world's oil consumption. Transporting goods and people by rail is at least 5 times as

efficient as automobiles. We must revive and reinvest in our passenger and freight rail system. Looking at our automobile fleet, modest increases in fuel efficiency using existing technology will decrease our oil usage by about 1 billion barrels per year. However, the turnover rate for the automobile fleet is 10-15 years. Therefore, we must start immediately.

The buildings in which we work and live are also terribly inefficient. We could easily reduce their energy consumption by one half. We must immediately weatherize and make more energy efficient tens of millions of buildings. Our bold new initiative must instill these ideas into the American consciousness.

The sooner we start, the smaller our sacrifices will be. These tasks will not be easy, but I am confident that we will achieve our goal, for we have little in the way of alternatives.

Thank you.